

AMENDED IN ASSEMBLY MAY 5, 2009

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

## ASSEMBLY BILL

**No. 51**

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**Introduced by Assembly Member Blakeslee**

December 1, 2008

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An act to amend Section 399.4 of the Public Utilities Code, relating to energy.

### LEGISLATIVE COUNSEL'S DIGEST

AB 51, as amended, Blakeslee. Electrical corporation energy efficiency programs.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law restructuring the electrical service industry states that it is the policy of the state and the intent of the Legislature that the commission continue to administer cost-effective energy efficiency programs. Pursuant to decisions and orders of the commission, the commission supervises energy efficiency programs administered by electrical corporations.

This bill would require the commission to ~~require that at least 90% of energy efficiency program funds expended are used for direct implementation of energy efficiency programs and would define direct implementation to include incentives and rebates and to exclude administrative, marketing, and outreach costs~~ *limit the administrative costs, as defined, for each of these programs to not more than 10% of the funds expended.*

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 399.4 of the Public Utilities Code is  
2 amended to read:

3 399.4. (a) (1) In order to ensure that prudent investments in  
4 energy efficiency continue to be made that produce cost-effective  
5 energy savings, reduce customer demand, and contribute to the  
6 safe and reliable operation of the electric distribution grid, it is the  
7 policy of this state and the intent of the Legislature that the  
8 commission shall continue to administer cost-effective energy  
9 efficiency programs authorized pursuant to existing statutory  
10 authority.

11 (2) As used in this section, the term “energy efficiency” includes,  
12 but is not limited to, cost-effective activities to achieve peak load  
13 reduction that improve end-use efficiency, lower customers’ bills,  
14 and reduce system needs.

15 (b) The commission, in evaluating energy efficiency investments  
16 under its existing statutory authority, shall also ensure that local  
17 and regional interests, multifamily dwellings, and energy service  
18 industry capabilities are incorporated into program portfolio design  
19 and that local governments, community-based organizations, and  
20 energy efficiency service providers are encouraged to participate  
21 in program implementation where appropriate.

22 (c) In order to ensure that energy efficiency programs achieve  
23 the maximum benefits for each dollar of ratepayer funding collected

1 to support those programs, the commission shall ~~require that at~~  
2 ~~least 90 percent of energy efficiency program funds expended are~~  
3 ~~used for direct implementation of the energy efficiency programs.~~  
4 ~~“Direct implementation” as used in this subdivision includes~~  
5 ~~incentives and rebates, but does not include administrative,~~  
6 ~~marketing, and outreach costs.~~ *limit the administrative costs for*  
7 *each program to not more than 10 percent of the funds expended*  
8 *for each program. For the purposes of this subdivision,*  
9 *“administrative costs” means personnel and overhead costs*  
10 *associated with the implementation of each program, but does not*  
11 *include costs associated with the marketing, outreach, or*  
12 *evaluation of a program.*

13 SEC. 2. No reimbursement is required by this act pursuant to  
14 Section 6 of Article XIII B of the California Constitution because  
15 the only costs that may be incurred by a local agency or school  
16 district will be incurred because this act creates a new crime or  
17 infraction, eliminates a crime or infraction, or changes the penalty  
18 for a crime or infraction, within the meaning of Section 17556 of  
19 the Government Code, or changes the definition of a crime within  
20 the meaning of Section 6 of Article XIII B of the California  
21 Constitution.